



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 29, 2004

H.R. 4303

American Education Promotion Act

*As ordered reported by the House Committee on International Relations
on June 24, 2004*

SUMMARY

H.R. 4303 would authorize the appropriation of \$5 million a year for fiscal years 2005 and 2006 for grants to American-sponsored elementary and secondary schools located in Arab and predominantly Muslim countries for the purpose of providing scholarships to students from lower- and middle-income families of those countries. CBO estimates that implementing the bill would cost \$10 million over the 2006-2008 period, assuming the appropriation of the authorized amounts. H.R. 4303 would not affect direct spending or receipts.

American-sponsored schools are schools for children of Americans residing overseas that have received assistance and support from the U.S. government under a program administered by the Office of Overseas Schools of the U.S. Department of State. Such schools include those founded by U.S. companies, church organizations, and individual proprietors. The majority are nonprofit, nondenominational, independent schools established on a cooperative basis by American citizens residing in foreign communities; however, they are open to nationals of all countries. The bill would authorize the Secretary of State through the Office of Overseas Schools to offer grants to such schools in Arab and Muslim countries to increase the number of students from lower- and middle-income families.

H.R. 4303 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4303 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	5	5	0	0	0
Estimated Outlays	0	4	5	1	0

BASIS OF ESTIMATE

The bill would authorize the appropriation of \$5 million a year for fiscal years 2005 and 2006 for grants to American-sponsored elementary and secondary schools in Arab and predominantly Muslim countries for the purpose of providing scholarships to students from lower- and middle-income families of those countries. The estimate assumes that H.R. 4303 will be enacted late in 2004 and that the authorized amounts will be provided in annual appropriation acts. Because the new program authorized by the bill would entail writing rules and regulations to determine eligibility, notifying American-sponsored schools about the program, and selecting grantees, CBO assumes that the initial grants would be made for the 2005-2006 school year. Assuming that the grants would cover tuition for one school year, CBO estimates that implementing the bill would cost \$10 million over the 2006-2008 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4303 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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